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CENTAR ZA VISOKE  
EKONOMSKE STUDIJE

CENTER FOR ADVANCED  
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# TRANSPORT

SECTOR OVERVIEW NOVEMBER 2016



## TOP NEWS

### The number of digital methods of collecting information for the improvement of transport is growing in developing countries

While in developed countries a system which collects information about the quality of services in transport is developed, there is a tendency to increase them in developing countries as well. Methods for gathering information about the quality and use of transport in this economy include usage tracking on the basis of prepaid cards for transport and tracking journey through the development of maps on smartphones. Information obtained in this way affects the improvement of the quality of services in transport.

### Leaders of the automotive manufacturers brand Nisan entered into an agreement with the British government on conditions to stay on the market after Britain leaving the EU

Nisan is the largest foreign investor in the UK automotive industry and employs 4.5 thousand people. Almost half of the components used in the production come from Central Europe. In order to keep Nisan in their own country, the British decided to support the company through tax cuts.

### ICT company expands business in twelve different countries in sixteen different offices

ICT will organize daily transportation for its key markets of Western, Central and Eastern Europe. Thanks to the expansion of business, the company is able to offer lower costs and different transport services, from „just in time“ to storage and distribution.

### Honda continues to produce cars in the United Kingdom (UK)

Leaders of the company state they still do not see the reason for the relocation of production from the British market, especially because the UK Government sought the protection of their car industry regardless of the decision on leaving the EU. Leaders of Honda point out that despite the results of Brexit they have not asked from the government for any special benefits for their business. It is important to emphasize that the UK as a destination has been part of the strategic plan of the company when the factory which is a global hub from where a new five-door model Honda Civic is exported to the whole world was built.

### Scania has developed a new electric hybrid bus

Scania will use the new electric bus for urban traffic, first in Sweden, in order to reduce pollution in urban areas. This is the first such project in the Nordic region, in which Volvo works together with Scania on its development. The project was partially funded by the Swedish Energy Agency. The bus station for charging for powering these buses is in reconstruction. In order to cross the 10 km a bus needs 7 minutes of charging.

### Germany is preparing the launch of the first train that creates 0% pollution and emits only steam

The world's first hydro train can reach speed up to 87 km / h. Testing of the train will be finished by the end of the year, and if it is successful, the train will start being used at the end of next year. The train can travel nearly 800 km per day and it will be used for the transport of passengers on long distances. Apart from France, which immediately expressed interest in the purchase of the train, the interest comes from the Netherlands, Norway and Denmark. The train moves by a large battery made of lithium, and receives its power from the hydrogen tank which is placed on board.

### Electric trucks increasingly popular

With regard to the global initiative to reduce pollution, apart from buses, trains and cars, electric trucks are attractive as well. As always, the only problem in the development of this product is the battery. With regard to this, in the Colorado public research for development of a battery that will power the electric trucks during their journey is organized.

### Protocol Amending the Agreement on Russian loan for modernization of Serbian railways from 2013 signed

This agreement enables Serbia to complete all the projects under this agreement in the next four years. On the basis of this loan from 2011, Serbia has so far drawn 690 million (m) \$ and by the end of the year will withdraw additional \$ 300 m. The total value of this loan is \$ 941 m, out of which \$ 800 m is the loan value, and the remaining \$ 141 m Serbia's participation. The aim is to reconstruct the railway Corridor 10, reconstruction of the Belgrade-Bar, the purchase of new diesel trains, as well as the shares of fast railway Belgrade-Budapest.



# GLOBAL AND DOMESTIC MARKET

Due to the slower growth in world trade activity in the second quarter of 2016, it is expected that the growth rate of world trade in 2016 will amount to 1.7%, thus international transport will mark lower growth than expected

However, it should be noted that international transport has marked an upward trend since the beginning of 2016, both globally and in the US (the largest player in the sector), because apart from trade, whose growth was positive but slow, the movement of oil prices as well as the development of tourism and population growth in general consumption affect the increase in the volume of transport.

**ATA index, which measures the volume of goods transported by trucks in the US dropped by 3% in October. Given that the US has the highest share in the transport sector at a global level, it is relevant to monitor the movement of the index which measures the frequency of freightage in the country (ATA index)**

After the tendency of growth in the first eight months of the year, the index dropped in September and October, as a result of typical seasonal effect. However, it is expected that the index will remain at a low level until the end of the year, due to low economic activity both in the USA and in the world.

**Global car sales increased by 5% in October of the current year compared to the same month last year. Car purchase has increased the most in Asia** China has contributed the most to the growing demand for cars, where sales rose by 23%. The growth of demand in China was caused by a decrease in sales tax for the purchase of cars, which is up-to the end of the year. The cause of the growth in car sales is, generally speaking, improving labor market conditions. For example, in OECD countries unemployment is at its lowest level since the global economic crisis. Also, there was an increase in living standards in the least developed countries and a general reduction of inequality in the world, which is a further positive impact on car sales.

**Road traffic has substituted the rail one, due to the lower fuel prices**

Railroad has been more and more substituted by road during 2016, given that the profitability of car transport of people or goods has grown due to lower fuel prices. The amount of goods transported by road and rail traffic in Serbia in the first half of the current year compared to the same period of the previous year marks a growth of 10.6%. While road traffic marks growth in the transport of goods, the volume of goods transported by rail has declined.

**When it comes to airline passenger traffic, there is a global increase of 7% in the current year compared to the previous year**

The cause of the growth is the fact that due to the lower oil prices airlines around the world have invested in additional transport capacities, but they have also reduced the cost of tickets for passengers. It is estimated that the lower prices of air tickets will contribute to increasing global consumption of 1% of world GDP and that the Governments of countries in the world will earn about \$ 118 billion in additional tax revenues, while in connected activities there will be opened 63 million jobs worldwide. Number of passengers transported by air traffic is growing in all regions of the world particularly in December, which is the typical for vacations. Unlike global level, air transport in Serbia has marked a falling trend of passengers. Number of transported passengers has decreased in the current year by about 20%.



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